III. Remarks

A. Preliminary Matters: Information Disclosure Statements (IDS)

In reviewing the file, Applicant noted that the Examiner has not initialed off on the electronically-submitted IDS filed on January 27, 2003 (time-stamp 15:20:58) that cited 42 patents. A copy of that IDS is attached for the Examiner's convenience. Please initial off and return that IDS in the next office action in this case.

Additionally, Applicant noted that several of the items in Applicant's paper IDS filed on February 6, 2002, were not initialed because the Examiner could not find the references. Applicant is re-submitting those references in a further supplemental IDS submitted herewith. Please initial off and return that IDS in the next office action.

Regarding drawing corrections, Applicants acknowledge the objection to the drawings for informalities associated with margin requirements. Applicant requests that submission of corrected drawings to address that informality be held in abeyance until claims are allowed.

B. Claim Amendment

Applicant has amended claims 1, 2-3, 5, 8, 12-13, 17, 20-21, 23, 26-27. Claim 16 has been cancelled without waiver or disclaimer. New claims 29-39 are presented. No new matter is presented with this amendment.

C. The Rejections

Applicant has amended the claims to further highlight the fundamental difference between the invention and the art that has been applied.

Generally, the invention relates to a credit card processing system that allows cardholders to establish auto-charge payments of fees for recurring charges for multiple different clubs, merchants, or service providers (hereinafter, "clubs"). The credit card processing system includes a database having cardholder information and club information that can be used to configure auto-charge data for each cardholder. A given cardholder's account can be associated with a plurality of clubs. The system then processes auto-charge transactions in an automated fashion without the cardholder having to provide authorization or the club having to make a transaction request to the card issuer, for each recurring payment. The auto-charge feature of the credit card processing system of the invention is not found in the prior art whatsoever. The significant benefit of the auto-charge feature is that the cardholder does not have to submit payment authorization for each recurring charge, nor does the club have to submit a transaction request to the card issuer each time.

In some embodiments, the invention includes a partner in the credit processing system. A partner is affiliated with a plurality of clubs, as reflected in Figures 2 and 5. Figure 2 depicts a military branch partner (e.g., Air Force) having a garden club, officer's club, health club, and so forth. This partner-club relationship can permit a consumer who is applying for an account to be given an opportunity to join and set-up auto-charge payment for selected clubs during the application process. This can take place in one "sitting," which is very convenient for the cardholder and which is more effective for the clubs.

In some embodiments, the invention provides that the cardholder database can be accessed not only by the card issuer which issues the credit cards, but also by the partners associated with particular cardholders. See Specification at page 11, lines 13-23. Just by way of example, the cardholder database might maintain data pertaining to a plurality of partners, such as the Air Force, the Navy, and State University. The card issuer (e.g., the bank) may access any of the data for cardholders associated with the Air Force (e.g., Air Force officers), the Navy (e.g., Navy enlisted personnel), and State University (e.g., students). Each partner--the Air Force, the Navy, and State University--would be permitted to access its associated cardholder data, such as to change addresses, club selections, and the like. See also Specification, page 17, lines 6-13; page 17, line 23-page 18, line 7; page 18, line 20-page 19, line 4.

A. The rejection of claims 1-3 and 27 under § 103(a) based on the 5-part combination of Fernandez-Holman in view of Kolling, Pollin, Perazza, and Auriemma should be withdrawn, and new claims 29-36 are also patentable over this combination

1. The 5- Part Rejection and Features of Claim 1

In paragraph 5, the Final Office Action of January 21, 2004, rejects claims 1-3 and 27 based on the 5-part combination of Fernandez-Holman in view of Kolling, Pollin, Perazza, and Auriemma. Appellant respectfully traverses this grounds of rejection. The five applied references, considered alone or considered together, clearly do not teach or suggest the invention of claim 1. Each applied reference is analyzed below. Following the analysis of each individual applied reference, Appellant demonstrates how the rejection should be withdrawn because a *prima facie* case of obviousness has not been established.

Fernandez-Holmann:

U.S. Pat. No. 5,787,404 (Fernandez-Holman) is directing to the problem of how to encourage consumers to fund their long term investment accounts like retirement accounts. '404 Patent, Col. 1, lines 6-11; Col. 3, lines 13-21. Fernandez-Holman addresses this problem by (1) providing a credit account with a credit issuer for "the benefit of [the] credit card holder;" (2) providing an investment account with a financial institution "for the benefit of the credit card holder;" and (3) periodically "funding the investment account" with a contribution charged against the consumer's credit account. '404 Patent, Col. 2, lines 23-44. In essence, Fernandez-Holman is a forced investment contribution plan where each month a fixed amount (e.g., $100) is billed to the consumer's credit card and contributed to that same consumer's investment account.

Fernandez-Holman Clearly Does Not Teach or Suggest Claim 1

Claim 1 is directed to a credit card processing system including (1) a credit card instrument that includes encoded information associating the cardholder with a plurality of clubs, where the club association for the cardholder is reflected in a "card issuer database that identifies the plurality of" associated clubs for that cardholder and includes "payment information for each associated" club; (2) which permits automated charge transactions for the plurality of clubs to be paid on an automatic basis without the club making a payment request and without the cardholder making payment authorization, to the card provider for each separate charge; (3) where the automated charge transactions are for payments due to clubs in consideration for services/goods (services being understood to encompass membership fees); (4) where the automated charge transactions result in funds being charged to the cardholder's credit account and funds being credited to a third party account

associated with a club; and (5) where the plurality of clubs are affiliated with a common partner.

Fernandez-Holman (F-H) clearly does not teach or suggest most of elements of claim 1. First, F-H does not remotely teach or suggest (1) a credit instrument that associates the cardholder with a plurality of clubs. F-H merely teaches that a cardholder's credit account can be linked to the same cardholder's investment account to periodically fund the investment account with the credit card. A cardholder's own investment account is not a club, which according to the invention is a third party provider to the cardholder. F-H explicitly states that the investment account is created "for the benefit of the cardholder." The claimed third party club is not created for the benefit of the cardholder. Clearly F-H's consumer investment account does not relate at all to the claimed clubs. Moreover, the claim plainly recites that the credit instrument is associated with a plurality of clubs. F-H does not teach or suggest associating his credit card with a single club, much less a plurality of clubs. The claim also recites a card issuer database that identifies the various clubs associated with that cardholder. No such thing is disclosed or suggested in F-H.

Next, F-H clearly does not teach or suggest (2) automated charge transactions for the plurality of clubs to be paid on an automatic basis without the club making a payment request and without the cardholder making payment authorization to the card issuer. As discussed above, F-H does not teach the credit card being associated with multiple clubs, so it clearly does not teach auto-charge transactions that credit funds to the third party clubs and charge the cardholder's credit account.

The fundamental difference between the invention and F-H is further highlighted in feature (3), that the automated charge transactions are for payments due to clubs in consideration for services/goods. This feature is not remotely suggested by F-H. F-H teaches the movement of funds from a cardholder's credit account to that same cardholder's investment account. Thus, F-H does not remotely teach the crediting of funds as payments due for services/goods provided. Similarly, feature (4) provides that the automated charge transactions result in funds being charged to the cardholder's credit account and funds being credited to a third party account associated with the club. F-H does not remotely suggest this feature because the funds in F-H are credited to the cardholder's own investment account, not to the account of a third party like a club.

Finally, feature (5) provides that the plurality of clubs associated with the cardholder are affiliated with a common partner. One example of this described in the specification is where the cardholder joins the officer's club, the garden club, and the health club, and where those clubs are in turn affiliated with a military branch such as the Air Force. See Figure 2. This feature is not remotely suggested by F-H. F-H does not teach cardholders being associated with third party clubs, much less that the third party clubs are in turn affiliated with a common partner. The partner feature is completely absent from F-H.

Perazza:

U.S. Pat. No. 5,326,959 (Perazza) is directed to a bill payment system where the customer completes machine-readable "customer payment instruction" (CPI) forms that are returned to the customer's bank for processing each month. "In the normal course of

events, all that the Bill Payer using the CPI has to do is, once a month, review the Bills received from the various Billers, and, for each Biller, mark in the appropriate space on the CPI the machine-readable indicia which describe the amount of the Bill to be paid that month and the Designated Date, if applicable." The bill is paid through an ACH transaction that debit's the payer's savings or checking account. '959 Patent, Col. 12, lines 38-40. Perazza also discloses that for recurring, fixed payments, the customer may give the customer's bank "[p]reauthorized payment instructions, so that, on a given date, the Payer's bank will automatically debit the Bill Payer's account with a pre-determined amount. This amount can then be transferred and credited to the Biller's account automatically." '959 Patent, Col. 3, lines 9-17.

In sum, Perazza is directed to a bill payment system based on ACH savings/checking account transactions that debit funds from the customer's savings/checking account.

Perazza Clearly Does Not Teach or Suggest Claim 1 Nor Cure the Deficiencies of Fernandez-Holman

Perazza clearly does not teach the features of claim 1. For example, Perazza does not teach feature (1), a credit card that is associated with a plurality of clubs, nor a card issuer database containing information identifying the clubs for that cardholder. Perazza is directed to bill payment using a customer's savings/checking account. Perazza is not directed to credit account processing, much less a credit account associated with a plurality of clubs.

Perazza also clearly does not teach or suggest feature (4), the automated charge transactions resulting in funds being charged to the cardholder's credit account and funds

being credited to a third party account comprising a club account. Perazza is a bill payment system for processing ACH payment transactions against the customer's checking/savings account, not for processing credit transactions against the customer's credit account. Perazza does not teach this feature of the invention, and in fact, teaches away.

Finally, Perazza does not remotely teach feature (5), which is that that the plurality of clubs associated with the cardholder are affiliated with a common partner. There is no suggestion of this partner concept in Perazza.

Kolling:

U.S. Pat. No. 5,920,847 (Kolling) is directed to a bill payment system using a bill payment network. Participating billers B issue bills to participating consumers C that include a biller ID number, an amount, and other information. The consumer C then transmits a "bill pay order" indicating a payment amount to consumer's Bank C. Bank C submits a payment message to the bill payment network, which forwards the payment message to the biller's Bank B. The payment network then performs net settlement between the banks. See Kolling, Abstract.

Kolling Clearly Does Not Teach or Suggest Claim 1 Nor Cure the Deficiencies of Fernandez-Holman and Perazza

Kolling clearly does not teach or suggest the features of the invention. For example, Kolling does not teach or suggest feature (1), of a credit card that includes encoded information associating the cardholder with a plurality of clubs, where the club association for the cardholder is reflected in a "card issuer database that identifies the

plurality of" associated clubs for that cardholder and includes "payment information for each associated" club. Kolling discloses a bill payment where service bureau S receives bill pay orders from consumer C in order to pay billers B. See Kolling, Figure 2. Kolling does not remotely suggest a credit card account that is specifically associated with a series of clubs. Kolling is completely silent on a credit card processing system having a card issuer database that identifies the clubs associated with a given cardholder. In fact, Kolling provides no detail on credit card processing systems or credit card databases because Kolling is not directed to the mechanics of credit card processing.

Kolling also does not teach or suggest feature (2) of automated charge transactions for the plurality of clubs to be paid on an automatic basis without the club making a payment request and without the cardholder making payment authorization to the card provider, for each separate charge. Kolling teaches the consumer C responding to each monthly bill by submitting "bill pay orders" into the service bureau S. See Figure 2 of Kolling. Thus, Kolling clearly does not teach the auto-charge feature of the present invention where the credit card system automatically initiates payment transactions without consumer authorization for each bill.

Kolling's statement at Col. 7, that "These [bill pay] orders could be instructions to pay some amount for a bill or a set amount of money at periodic intervals" does not alter the conclusion that feature (2) is not suggested. This is because the passage clearly indicates that the consumer is providing specific payment authorization (bill pay order) for a specific bill that was received:

> "Sometime later, **consumer C receives bill 30** . . . and initiates bill payment order 56 . . . Bill payment order 56 includes authorization for service bureau S to withdraw funds from C's account 22 to pay bill 30. . . . Consumer C can send bill pay order 56 in any number of ways . . . However this is done, service bureau S receives one or more bill pay orders from Consumer C. These orders could be instruction to pay some amount for a bill or a set amount of money at periodic intervals."

Kolling, Col. 7, lines 35-52. Therefore, it is clear that Kolling is teaching that the payment transaction is being initiated by the consumer for a specific bill; it is not an automated payment transaction as in the present invention that is not initiated by the consumer. All Kolling is saying in the last line of that passage is that, in response to a particular bill 30, the consumer could authorize full payment, partial payment, or a staggered payment, for that particular bill.

Finally, Kolling clearly does not teach or suggest feature (5), that the clubs associated with the credit cardholder are in turn affiliated with a common partner.

Pollin:

U.S. Pat. No. 6,041,315 (Pollin) is directed to a system for allowing a collection agent to remotely generate physical check drafts in the name of a payor, and which can be executed on behalf of the payor and deposited in the payee's account. The payor may provide his/her account information over the telephone. Pollin, Col. 4, lines 43-50. The bank and account information supplied by the payor/debtor may be verified by comparison to data in a bank information database. Pollin, Col. 4, lines 4-12.

Pollin Clearly Does Not Teach or Suggest Claim 1 Nor Cure the Deficiencies of Fernandez-Holman, Perazza, and Kolling

Pollin clearly does not relate to the invention of claim 1 whatsoever. Pollin does not relate to credit cards associated with clubs, nor automated charges without specific requests or authorization, nor funds being charged to a cardholder's credit account, nor a partner affiliated with the clubs associated with the cardholder. Pollin is directed to the remote generation of physical check drafts drawn against a debtor's checking account to satisfy a debit. That does not involve or relate to automated charges because Pollin's charges are specifically authorized. That does not involve charges to a credit account because Pollin's charges are against the debtor's checking account. Pollin's remote check generation scheme does not relate to clubs associated with a credit cardholder, nor a partner affiliated with the associated club.

Auriemma:

U.S. Pat. No. 5,513,102 (Auriemma) discloses a credit card incentive program where the consumer's card usage is converted into coupons redeemable for lottery tickets. Auriemma, Abstract. Auriemma also discloses the concept of co-branded credit cards issued by the credit card issuer (e.g., Bank X) in the name of the partner (e.g., General Motors). In such co-branded cards, incentives may be provided such as card usage being converted into points/discounts applicable to the partner's products. Auriemma, Col. 1, lines 31-47. One well-known example is the General Motors MasterCard which offers 5% rebates on cars based on card usage.

Auriemma Clearly Does Not Teach or Suggest Claim 1 Nor Cure the Deficiencies of Fernandez-Holman, Perazza, Kolling, and Pollin

Auriemma clearly does not relate to features (1)-(4) of the invention at all. Feature (5) of the invention provides that the plurality of clubs specifically associated with the

cardholder are in turn affiliated with a common partner. Auriemma clearly does not teach or suggest this feature. Auriemma teaches that a co-sponsor such as General Motors may be "partnered" with the credit card issuer. However, Auriemma does not remotely suggest a partner that is affiliated with a series of clubs that are specifically associated with the cardholder. The partner of the invention is one that is affiliated with a series of clubs for which auto-charge transaction payments will be made for goods/services. This concept is not remotely suggested by Auriemma.

No *Prima Facie* Case of Obviousness Has Been Established Based on the 5-Part Combination of Fernandez-Holman, Perazza, Kolling, Pollin, and Auriemma Because These Implausibly-Combined References Fail to Teach All Claim Limitations

As set forth in MPEP § 2143, the *prima facie* case of obviousness requires that the Examiner establish the following: (1) there must be a suggestion or motivation in the references or in the generally available knowledge in the art to combine the references or modify the references; (2) there must be a reasonable expectation of success; and (3) the combined references must teach or suggest all of the claim limitations.

Even if it was possible to combine these 5 references, and even if there was suggestion for the combination, the concatenation of these references still fails to arrive at the present invention. In particular, none of Fernandez-Holman, Perazza, Kolling, Pollin and Auriemma teach the feature of a credit card that includes encoded information associating the cardholder with a plurality of clubs, where the club association for the cardholder is reflected in a "card issuer database that identifies the plurality of" associated clubs for that cardholder and includes "payment information for each associated" club. In the present invention, the card issuer database including the club association data is used

for the auto-charge feature of the present invention that automatically transacts charges against the consumer's credit account to pay club fees for the consumer's clubs. These features are simply not taught or suggested by these references alone or in combination.

Fernandez-Holman's forced investment account savings program does not remotely teach or suggest a credit card system associating specific cardholders with specific clubs. Perazza's ACH bill payment system for bill payment using checking/savings accounts does not remotely teach or suggest a credit card system associating specific cardholders with specific clubs. Nor does Kolling's bill payment network centered around gateway service bureau S remotely teach or suggest a credit card system associating specific cardholders with specific clubs. Pollin's remote check generation scheme does not remotely teach or suggest a credit card system associating specific cardholders with specific clubs. Finally, Auriemma's co-branded card where a corporate partner co-sponsors a credit card does not remotely teach or suggest a credit card system associating specific cardholders with specific clubs.

Additionally, none of Fernandez-Holman, Perazza, Kolling, and Auriemma teach the feature of a credit system associating specific cardholders with specific clubs, and where the plurality of clubs are in turn affiliated with a common partner. Fernandez-Holman, Perazza, Pollin, and Kolling do not relate to this feature at all. Auriemma, as discussed above, teaches a co-sponsor partner of the card issuing entity, but does not teach a partner affiliated with series of clubs which have been associated with the cardholder.

No *Prima Facie* Case of Obviousness Has Been Established Based on the 5-Part Combination of Fernandez-Holman, Perazza, Kolling, and Auriemma Because There Is No Suggestion for Combining These Disparate References

The *prima facie* case of obviousness requires that there be objective evidence of a suggestion or motivation to combine the references found (a) in the references themselves or (b) in the knowledge generally available to the person of skill in the art. MPEP § 2143.

Applicant respectfully submits that such motivation is conspicuously absent. First, Fernandez-Holman is directed to a forced retirement savings program by transferring funds from the consumer's credit account to the consumer's investment account. Perazza and Kolling disclose bill payment systems involving consumers' checking/savings accounts. There simply is no motivation in either reference or in the art for combining Fernandez-Holman's investment savings system with Perazza/Kolling's bill payment systems. One is directed to funding an investment account, the other to paying bills. The only possible source of motivation for modifying Fernandez-Holman's investment system with Perazza/Kolling's bill pay systems would be Applicant's claims, which is, of course, impermissible hindsight reconstruction.

Even the subsidiary combination of Perazza and Kolling by the Examiner is unsupported by motivation in the art. Perazza is directed to a decentralized bill payment system centered around each customer's own bank, whereas Kolling is directed to an entire bill payment network centered around a common service bureau gateway. These two references take very opposite approaches to addressing the bill payment issue, and the person of ordinary skill in the art would not seek to somehow attempt to combine them because they take opposing approaches to the problem.

Next, there is no suggestion in the art for combining Pollin with Perazza/Kolling. Pollin is directed to the remote generation of physical check drafts to satisfy specific

overdue debts. On the other hand, Perazza/Kolling are directed to electronic bill payment systems. These references take opposing, conflicting approaches (one physical/manual and the other electronic), and the person of ordinary skill in the art would not seek to combine these diverging teachings.

Finally, there is no suggestion in the art for the addition of Auriemma into this already unlikely combination. Auriemma is directed to co-branded credit cards providing usage incentives. The person of ordinary skill in the art would not be motivated to combine Auriemma's co-branded incentive card with Fernandez-Holman's investment system, Perazza/Kolling's electronic bill pay systems, and Polling's remote check draft generator. The first is directed to encouraging consumer spending, the second is directed to encouraging saving, and the third and fourth are directed to paying bills. The person of ordinary skill in the art would not find motivation for combining these systems because as a whole they are directed to different, inconsistent goals.

Specific Comments on the Deficiencies in the Final Office Action

Applicant believes that the analysis provided above demonstrates that claim 1 is clearly patentable over the applied 5-part combination of art. Applicant shall address below some of the specific deficiencies in the Final Office Action.

Regarding the claim feature that the credit cardholder is associated in a cardholder database with a plurality of clubs, the Final Office Action does not provide reasoned, objective analysis, but simply dismisses this claim feature:

> "Examiner maintains that the plurality of clubs . . . for which automated charges can be effectuated **are consistent with** any service providers or entities . . . that may be associated with a cardholder through encoded information on the credit card,

> including merely an account number of the credit card that is correlated by the credit card issuer with the credit card number and **associated data** in the credit card issuer's database, and **adds no patentable weight to applicant's claim**. The **functionality for this association exists in most databases through their inferred capabilities** as databases. Databases also allow multiple cross-references or cross-correlations for similar or related data. **Inherent** within a computerized system encompassing a plurality of users and potential merchants is a database to store data that supports and/or is generated by the system during operation. **Additionally, specific claim limitations to 'the plurality of clubs . . for which automated charges can be effectuated' do not change or prevent this inference.**"

Final Office Action, pages 2-3 (par. 4) [emphasis added].

The analysis above is defective for at least three reasons. First, the Examiner has simply discussed generalities without addressing the specific claim limitation at issue. The claim limitation provides that the cardholder is specifically "associated with a plurality of clubs" for which "automated charge transactions" are made, that the "card issuer database identifies the plurality of clubs" for that cardholder, and that the card issuer database also includes payment information for those associated clubs. The Examiner's analysis does not demonstrate how these specific limitations are found in the prior art. The Examiner's statements about databases having the ability to correlate different pieces of data does not address the claim language whatsoever. Applicant is not claiming to have invented databases or relational databases.

Because the Examiner has not attempted to show concretely how the claim features are found in the prior art, it appears the analysis is based on an "inherency" or an "obvious to try" argument. Both are unsound. Inherency requires that the feature at issue "necessarily" follows from what is disclosed. See Chisum on Patents § 11.04[4][a] (cites omitted). Applicant's specific claim features do not "necessarily" follow from the

Examiner's broad observation that prior art databases can associate different pieces of information. And a simple "obvious to try" basis for finding Applicant's specifically claimed invention in the broad art of relational databases is improper. MPEP § 2145(B).

In fact, in his analysis of specific prior art, the Examiner went on to admit that Fernandez-Holman does not teach the feature of the credit account being associated with a plurality of clubs. Final Office Action at 4. The Examiner sought to fill that gap through the same inherency/obvious to try argument set forth above:

> "Fernandez-Homan does not specifically disclose said credit card having encoding information that associates the cardholder with a plurality of clubs. . . However, one **inherent feature** of credit cards is an identifier encoded on the card that allows the card issuer to identify the user account in the database of user accounts to be charged or credited for transactions, **and store and correlate other information in the database as determined by the card issuer** that the card issuer may require to administer the user account."

Final Office Action, page 4 (par. 5) [emphasis added]. Applicant strongly disagrees with Examiner's inherency analysis because it is not tied to the claim language whatsoever. Of course, credit card account numbers are stored in card issuer databases and could be correlated with data. However, the claim recites that specific cardholders are associated with specific pluralities of clubs for which auto-charge transactions are to occur. That feature is not inherent in, nor is it suggested by, the database art at large as the Examiner suggests.

In the analysis of Fernandez-Holman, the Examiner also fails to address the fact that reference does not disclose automatic payments to clubs for payments due/moneys owed. Fernandez-Holman teaches payments to the consumer's own investment account which was created "for the benefit of the [consumer]." That funds-receiving account is the

customer's own account and is for his/her benefit. It is not the account used for a third party club to whom moneys are due.

In the analysis of Perazza, the Examiner fails to recognize that Perazza relates to funds debited from the consumer's savings/checking account, not charges to the consumer's credit account. Office Action, page 4 (par. 5). Thus, Perazza does not apply because the transactions against the consumer accounts are conventional savings/checking ACH transactions, not credit account transactions.

In the analysis of Kolling, the Examiner suggest that Kolling teaches the auto-charge feature of the present invention which is not initiated by the consumer for each bill. However, as Applicant explained in detail above, Kolling clearly teaches that the consumer issues a bill pay order for each bill. Therefore, Kolling can not be used to fill the gaps of Fernandez-Holman and Perazza.

After his flawed analysis of the references, the Examiner summarily concludes that combining them would render the invention of claim 1, including all of its features. However, this is simply not the case. Fernandez-Holman, at best, teaches periodically transferring funds from the consumer's credit account to that consumer's investment account. Perazza discloses bill payment from the customer's savings/checking account. Kolling teaches consumer-initiated bill payment. At best, combining these three would teach an unlikely system that transfers funds from a consumer's credit account to the consumer's investment account, and that also performs customer-initiated bill payment from the customer's savings/checking account. This does not come close to reconstructing Applicant's invention.

Additionally, as discussed above, there is no motivation for this combination. The motivation offered by the Examiner is that the combination "provides capabilities that facilitate the user's payment process and ease the burden on the user of making repetitive payments at periodic intervals." Final Office Action, page 5 (par. 5). Applicant respectfully submits that this is not a reasoned explanation providing motivation for combining the references at issue. The Examiner's statement describes the benefit of repetitive payment systems. It does not provide motivation for combining these conflicting references. As discussed in detail above, these references have conflicting, differing objectives, and the person of ordinary skill in the art would not be motivated to combine them at all.

Finally, the Examiner's analysis of Auriemma at pages 5-6 of the Final Office Action completely ignores the claim limitations. The claim provides that the cardholder is associated with a series of clubs, and that in turn, the clubs are affiliated with a common partner. Auriemma teaches a card issuer and a card issuer partner such as General Motors. There is no suggestion whatsoever of the partner (General Motors) being affiliated with a series of clubs. This aspect of the claim is not found in or suggested by Auriemma whatsoever.

2. The Rejection and Features of Claims 2, 3, and 27

On page 7, the Final Office Action rejects claims 2 and 3 on the same basis as claim 1. Applicant respectfully submits that dependent claims 2 and 3 are clearly patentable over the applied combination for the same reasons as for claim 1.

Claim 27 is patentable over the cited combination for same reasons as for claim 1.

3. Newly Submitted Claims 29 and 30

Newly submitted claims 29 and 30 depend from independent claim 1. Claim 29 provides that the "automated charge transaction requests" are submitted as "on-us transactions which avoid an interchange." As explained in the specification (see pages 12 and 18), "on-us" transactions refers to credit card transactions initiated by a card issuer that are not routed to one of the credit card interchanges, such as the VISA™ or MasterCard™ interchange. Thus, the transactions are considered "on us" because they are basically processed by the card issuer without involving the interchanges, thus providing significant savings from the reduced transaction fees. The applied references do not appear to disclose this feature.

New claim 30 provides that the card provider processes automatic charge transaction requests in "batch transactions for a plurality of different cardholders and a plurality of different clubs." The applied references do not disclose this feature. The batch feature is further discussed below for some of the previously-submitted claims that were rejected by the Examiner.

B. The rejection of claims 5-7 and 28 under § 103(a) based on the 4-part combination of Fernandez-Holman in view of U.S. Pat. No. 6,014,636 (Reeder), Kolling, and Auriemma should be withdrawn.

1. The Rejection and Features of Claim 5

In paragraph 6, the Final Office Action rejects claims 5-7 and 28 based on the 4-part combination of Fernandez-Holman, Reeder, Kolling, and Auriemma.

Applicant has amended independent claim 5 so that claim substantially recites the same features from claim 1 that distinguish the combination of Fernandez-Holman, Kolling, Pollin, Perazza, and Auriemma.

Thus, as set forth above for claim 1, the Fernandez-Holman, Kolling and Auriemma references do not alone, or in combination, teach the features of a credit card account and card database associating the cardholder with a plurality of clubs including auto-payment information for the associated clubs. Also, these references do not teach feature of the credit system associating specific cardholders with specific clubs, and where the plurality of clubs are in turn affiliated with a common partner.

Additionally, claim 5 recites a (6) "server adapted to interface with user systems for receiving applications and enabling batch processing of auto-charge transactions for credit accounts." The Examiner maintains (see Final Office Action, page 8) that Fernandez-Holman teaches this feature. Applicant strongly traverses that assertion. Regarding receiving applications, Fernandez-Holman only states that his "process is carried out by first establishing a credit card account with a credit card issuing entity." F-H, Col. 4, lines 35-36. Fernandez-Holman does not teach a server that interfaces with a user system for receiving applications whatsoever.

Claim 5 also recites a (7) "dues processor system for processing auto-charges." Fernandez-Holman does not remotely disclose such a dues processor. The Final Office Action (at page 8) cites Col. 2, lines 42-47 of Fernandez-Holman, but that passage merely states that "the credit card holder may fund the account only when the credit card holder has not independently funded the investment account in a particular period."

Additionally, claim 5 recites a (8) "monetary processor system for processing point of sale transactions submitted over an interchange." At page 8, the Final Office Action cites Col. 3, lines 19-21 of Fernandez-Holman for this feature, but that passage simply states: "[T]he credit card issuer . . . makes . . . payments to the investment account and bills the consumer accordingly along with the purchase charges normally incurred by the consumer." This passage does not disclose a monetary processor system for processing point of sale transactions. The claimed invention recites a system that processes the auto-charges using a dues processor, as well as a monetary processor that processes point of sale transactions. Fernandez-Holman does not disclose a system with this dual functionality.

Reeder

The only additional reference at issue for claims 5-7 and 28 is the Reeder reference. Reader is directed to a point-of-sale system wherein a consumer can swipe his bank card or credit card through a magnetic stripe reader at the customer's location while he/she is watching television or using a personal computer. The consumer initiates this point-of-sale transaction in order to order some goods or services. See Reader, Abstract.

Reeder Clearly Does Not Teach or Suggest Claim 5 Nor Cure the Deficiencies of Fernandez-Holman, Kolling, and Auriemma

Reeder does not cure the deficiencies of Fernandez-Holman, Kolling, and Auriemma with respect to claim 5. Notably, the feature of feature of a credit card account and card database associating the cardholder with a plurality of clubs including auto-payment information for the associated clubs is not found in Reeder. Reeder simply discloses customer-initiated credit card payments, there is no suggestion of auto-charges. Nor is there any suggestion in Reeder of the cardholder being associated with a series of

clubs for auto-charge or any other purposes. Nor does Reeder teach or suggest the feature of the credit system associating specific cardholders with specific clubs, and where the plurality of clubs are in turn affiliated with a common partner.

Nor does Reeder suggest feature (6) of a "server adapted to interface with user systems for receiving applications and enabling processing of auto-charge transactions for credit accounts," or feature (7), a "dues processor system for processing auto-charges." Reeder is not directed to processing auto-charges whatsoever.

No *Prima Facie* Case of Obviousness Has Been Established Based on the 4-Part Combination of Fernandez-Holman, Kolling, Auriemma, and Reeder

As demonstrated above, even if these 4 references could be combined, and even if there was suggestion for that combination, the result still fails to teach features (1), (5), (6) and (7) of claim 5 as discussed above. Accordingly, there is no *prima facie* case of obviousness after the addition of Reeder to Fernandez-Holman, Kolling, and Auriemma.

Additionally, for the same reasons discussed for claim 1 regarding Fernandez-Holman, Kolling, and Auriemma, there is no suggestion for combining a forced investment savings system encouraging investment savings, a gateway-based system for bill payment, and an credit usage incentive program encouraging spending. The addition of Reeder to this combination does not alter this conclusion, in fact, it makes the entire combination even less likely.

Specific Comments on the Deficiencies in the Final Office Action

The Examiner's analysis of claim 5 at pages 8-9 of the Final Office Action is not directed to the specific claim limitations of the claim. For example, the Examiner finds that Fernandez-Holman would inherently include a "database of a plurality of

cardholders." But this completely ignores the claim language reciting the auto-charge feature of the claim, and the feature of the claim associating a cardholder with a plurality of clubs in a card database.

The Examiner goes on to concede that "[n]either Fernandez-Holman nor Reeder specifically disclose a dues processor system" for processing "files of auto-charges." The Examiner then refers to Fernandez-Holmann's disclosure (Col. 2, lines 41-44) that the cardholder might be charged a service transaction fee for the funds being transferred into the cardholder's investment account. Applicant respectfully traverses the assertion that Fernandez-Holman's transaction fee relates at all to the recited dues processor. The dues processor processes auto-charges for moneys owed to a club. A transaction fee does not correspond to moneys owed to a club at all.

The Examiner then appears to refer to Kolling as a back-up to fill the gap of the dues processor for processing transactions. However, as discussed above for claim 1, Kolling does not disclose auto-charge transactions at all. Kolling's transactions are all initiated by the biller B in response to specific bills 30. They are not auto-charge transactions. The Examiner's reference to Col., 37, lines 9-16, does not resolve this deficiency. That section relates to Kolling's settlement. As previously noted, the initial transactions that are undertaken in Kolling are not auto-charge transactions, they are transactions initiated separately by each cardholder. Thus, they are not auto-charge transactions, and moreover, they cannot be initiated as batch transactions because they are separately-initiated by each cardholder.

2. The Rejection and Features of Claims 6, 7, and 28

On page 11, the Final Office Action rejects claims 6-7 on the basis of the same combination for Claim 5. Applicant submits that these claims are patentable over the combination for the same reasons as set forth above for claim 1.

Claim 28 provides that the auto-charges are not submitted through a credit card interchange. At page 11, the Final Office Action refers to Kolling at Col. 9, lines 24-38. However, as discussed above for claim 1, Kolling does not teach auto-charges which are not initiated by a cardholder. Additionally, Col. 9, lines 24-38 appears to relate to ACH transactions pertaining to savings/credit accounts, not to credit card transactions.

3. Newly Submitted Claims 33 and 37

New claim 33 depends from independent claim 5, and recites that the cardholder database is "further accessible by the partner or a base or installation of the partner such that the partner or base or installation of the partner can make changes to the database for the cardholders associated with that partner."

This very novel feature provides that not only can the card issuer (e.g., Bank X that issued the credit card) access the cardholder database, but also a partner (or one of its bases/installations) can access the database for the cardholders associated with the partner. Applicant is unaware of this feature being found anywhere in the prior art. Thus, for example, if the partner is the Air Force, then Air Force personnel can access the database to change data for Air Force officers who move from one base to another. In the prior art, this had to be performed by the card issuer or the card member. This claim feature is a significant benefit to the card issuer (relieving burdens on the customer service system) and the partner (enabling quick changes to cardholder data).

New claim 37 depends from independent claim 5, and recites that the monetary processor or dues processor can process a "transaction submitted by a club . . . that provides payment against the credit balance of a particular cardholder."

This very novel feature provides one of the clubs can accept payments from a cardholder to be applied to the cardholder's credit balance. For example, the cardholder could go into the Officer's Club, submit a $500 check for this month's credit bill, and then the Officer's Club could initiate the payment transaction that would result in funds being applied to the cardholder's account. Applicant is unaware of this feature being found anywhere in the prior art. Prior art merchants could submit reverse charge or cancel charge transactions to void a previous transaction, but nothing like the transaction claimed.

C. The rejection of claims 8-12 under § 103(a) based on the 5-part combination of Fernandez-Holman in view of Reeder, Kolling, Auriemma, and the Official Notice should be withdrawn.

1. The Rejection and Features of Claims 8-12

In paragraph 7, the Final Office Action rejects claims 8-12 based on the 5-part combination of Fernandez-Holman, Reeder, Kolling, Auriemma, and the Official Notice.

Claim 8 specifically recites that the cardholder database includes data that identifies the common partner affiliated with the clubs.

Claim 8 is patentable over the cited art for at least the same reasons set forth above for claim 5. The combination of Fernandez-Holman, Reeder, Kolling, and Auriemma does not disclose the partner feature recited in claim 5. As such, that combination cannot disclose the further particular of claim 8 that the partner is specifically identified in the database. The Official Notice taken (see Final Office Action pages 12-13) regarding

updating address information in credit card systems does not resolve this deficiency, or even relate to it. Thus, adding the alleged teaching of updating address information from the Official Notice to Fernandez-Holman, Reeder, Kolling, and Auriemma does not teach claim 8.

Claim 9 recites that the partner is a branch of the military, and claim 10 recites that the partner is a university or college. These claims depend from claim 8, which in turn, depends from claim 5. As such, claims 9-10 provide that the cardholder database has information which specifically identifies a partner (military branch or university/college) and associates that partner with a series of clubs reflected in the database and associated with specific cardholders. These features are completely absent from the applied art and the Examiner provides no supporting citations.

The Examiner attempts to take broad Official Notice of these features (see page 13 of Final Office Action). Applicant respectfully traverses the assertion that these features of claims 9-10 are "old and well known," and requests that the Examiner either withdraw the Official Notice or provide documentary evidence or a declaration of personal knowledge in accordance with MPEP 2144.03(C). The claims refer to a credit card database having information identifying cardholders, clubs associated with those cardholders for auto-charges, and further identifying partners affiliated with particular clubs. Applicant submits that this feature is not found in the prior art.

Claim 11 depends from claim 9 and further provides that the credit card database identifies one or more installations of the military branch partner. Applicant traverses the

Examiner's Official Notice of this feature for the same reasons set forth above, and requests that either it be withdrawn or proven up through objective evidence.

Claim 12 depends from claim 9 and, as amended, further provides that cardholder's club information can be moved from one installation/base to another for the military branch without having to enter all of the new club association information. Neither the applied prior art, nor the deficient Official Notice, discloses this feature.

2. New Claim 31

New claim 31 depends from claim 8, and provides that the server can receive applications and provide "information identifying the specific clubs . . . associated with a specific partner" so that the cardholder/cardholder applicant can select specific clubs for auto-charging "in one sitting." For example, this beneficial feature allows an Air Force officer applying for a card to be presented with information of the clubs that are available to him/her, so that selections can be made. This feature is not disclosed in the applied art whatsoever.

D. The rejection of claim 13 under § 103(a) based on Kolling in view of Auriemma should be withdrawn.

1. The Rejection and Features of Claim 13

In paragraph 8, the Final Office Action rejects claim 13 based on the combination of Kolling and Auriemma.

Applicant has amended independent claim 13 so that claim substantially recites the same features from claim 1 that distinguish the combination of Fernandez-Holman, Kolling, Pollin, Perazza, and Auriemma. As such, claim 13 now clearly distinguishes the

sub-combination of Kolling and Auriemma. Applicant refers the Examiner to the remarks set forth above for claim 1.

Claim 13 also recites a "server for receiving applications, processing point of sale transactions, and processing auto-charges" for the plurality of clubs associated with cardholders. Kolling clearly does not disclose this feature. As discussed above for claim 1, Kolling does not teach Applicant's auto-charge feature. Regarding receiving applications, the Examiner refers to Kolling's Figure 14 (502a-502c), but that relates to payment instructions, not to receiving applications for credit accounts. As such, Kolling's bill payment system clearly does not teach a credit card processing server for receiving applications, processing POS transactions, and processing auto-charges. This is not surprising because Kolling is directed to a completely different system.

2. New Claims 34 and 38

New claim 34 depends from claim 13. This claim, which is similar to claim 33 discussed above, provides that a partner (or base/installation) can access cardholder data for the cardholders associated with that partner. This claim is patentable over the applied art for the same reasons as set forth above for claim 33.

New claim 38 depends from claim 13. This claim, which is similar to claim 37 discussed above, provides that clubs can submit transactions to pay down the cardholder's credit balances. This claim is patentable over the applied art for the same reasons as set forth above for claim 37.

E. The rejection of claims 14-15 under § 103(a) based on the 3-part combination of Kolling in view of Auriemma and the Official Notice should be withdrawn.

1. The Rejection and Features of Claims 14-15

In paragraph 9, the Final Office Action rejects claims 14-15 based on the combination of Kolling, Auriemma, and the Official Notice.

Applicants submits that claims 14-15 are patentable over the cited art for at least the same reasons set forth for independent claim 13 above. The Official Notice relating to the location of user systems does not address or cure the deficiencies identified for the independent claim.

F. The rejection of claim 16 under § 103(a) based on the 4-part combination of Kolling in view of Fernandez-Holman, Auriemma, and the Official Notice should be withdrawn.

1. The Rejection and Features of Claim 16

In paragraph 10, the Final Office Action rejects claims 14-15 based on the combination of Kolling, Fernandez-Holman, Auriemma, and the Official Notice.

Claim 16 has been cancelled so this rejection is moot.

G. The rejection of claims 17-20 under § 103(a) based on the 4-part combination of Fernandez-Holman in view of Pollin, Kolling, and Auriemma should be withdrawn.

1. The Rejection and Features of Claim 17

In paragraph 11, the Final Office Action rejects claims 17-20 based on the combination of Fernandez-Holman, Pollin, Kolling, and Auriemma.

Applicant has amended independent claim 17 so that claim substantially recites the same features from claim 1 that distinguish the combination of Fernandez-Holman, Kolling, Pollin, Perazza, and Auriemma. As such, claim 17 now clearly distinguishes the sub-combination of Fernandez-Holman, Pollin, Kolling, and Auriemma. Applicant refers the Examiner to the remarks set forth above for claim 1.

Claim 17 also includes the feature of providing in the credit card database "information of a plurality of clubs . . . agreeing to auto-charging of dues or fees." This feature is clearly not taught by the applied art. At page 18 of the Final Office Action, the Examiner refers to Fernandez-Holman as disclosing this feature. However, as demonstrated above for claim 1, Fernandez-Holman clearly does not teach clubs, a plurality of clubs, much less a plurality of clubs agreeing to auto-charging of fees. Fernandez-Holman's forced investment system for transferring funds from a cardholder's credit account to the cardholder's investment account does not relate to the claimed feature.

Claim 17 also includes the feature of "entering data in [the credit cardholder] database" for "associating the applicant or cardholder with a plurality of selected clubs" which are to be auto-charged. This feature is also not taught by the applied art.

None of the portions of the prior art cited by the Examiner for claim 17 teach or suggest the above features.

2. The Rejection and Features of Claim 18-20

Claims 18-20, which depend from claim 17, are patentable over the cited art for at least the same reasons as for claim 17.

Claim 20 provides the step of batch processing the auto-charge transaction requests. Fernandez-Holman clearly does not teach or suggest batch processing of auto-charge transactions. The cited section of Fernandez-Holman at Col. 4, lines 9-34 simply discusses the transfer of funds from the consumer's credit account to the consumer's investment account. There is no discussion of or suggestion of batch processing.

3. New Claims 32, 35, and 39

New claim 32 depends from claim 17. This claim provides that the auto-charge transaction requests are submitted as on-us transactions avoiding an interchange. This claim is similar to claim 29, discussed above, and distinguishes the applied art for the same reasons.

New claim 35 depends from claim 17. This claim, which is similar to claim 33 discussed above, provides that a partner (or base/installation) can access cardholder data for the cardholders associated with that partner. This claim is patentable over the applied art for the same reasons as set forth above for claim 33.

New claim 39 depends from claim 17. This claim, which is similar to claim 37 discussed above, provides that a club can submit transactions to pay down a cardholder's credit balance. This claim is patentable over the applied art for the same reasons as set forth above for claim 37.

H. The rejection of claims 21-25 based on the 5-part combination of Kolling in view of Fernandez-Holman, Pollin, Perazza, and Auriemma should be withdrawn.

1. The Rejection and Features of Claim 21

In paragraph 12, the Final Office Action rejects claims 21-25 based on the 5-part combination of Kolling, Fernandez-Holman, Pollin, Perazza, and Auriemma.

Applicant has amended independent claim 21 so that claim substantially recites the same features from claim 1 that distinguish the combination of Fernandez-Holman, Kolling, Pollin, Perazza, and Auriemma. As such, claim 21 now clearly distinguishes that same combination. Applicant refers the Examiner to the remarks set forth above for claim 1.

Also, claim 21 provides the step of a "credit card provider periodically searching a database to identify . . . cardholders who are to be charged a fee . . . by . . . clubs" through an auto-charge transaction "without the . . . club submitting a payment request for each fee" and "without the cardholders having to submit payment authorizations for each fee."

The Examiner relies on Kolling as a primary reference, but Kolling clearly does not teach the claimed invention. As discussed above for claim 1, Kolling relies on participating billers B issuing bills to participating consumers C, and each consumer C responding by transmitting a "bill pay order" indicating a payment amount to consumer's Bank C. Thus, Kolling does not teach the auto-charge feature because the biller/consumer initiate each payment. Also, Kolling does not disclose searching a database to identify cardholders for which to initiate auto-payment for the very same reason. Moreover, in the claimed invention, the credit card provider searches the database, a feature not remotely suggested in Kollings bill pay network.

At pages 20-21 of the Office Action, the Examiner specifically cites to Col. 11, lines 5-33 of Kolling, but that section discloses what Applicant describes above:

"participating consumers receive bills from participating billers . . . To authorize remittance, the consumer transmits to its bank . . . a transaction indicating . . . an amount to pay . . . the source of the funds." Thus, Kolling shows biller- and consumer- initiated transactions, not the auto-charge transactions of the claim. There is no disclosure or suggestion of a credit card provider searching a database to identify auto-charge transactions because in Kolling the biller/consumer are initiating the transactions.

The Examiner himself concedes that Kolling is not disclosing the auto-charge feature because he notes that "service bureau S **receives one or more bill pay orders from consumer C.**" See Final Office Action at 21 [emphasis added]. Thus, the consumer is initiating the transaction, which means that it does not correspond to the auto-charge feature. The Examiner also cites to Kolling at Col. 36, lines 31-67, regarding searching the cardholder database and generating a batch of transaction requests. These sections refer to a consumer initiating a single transaction processed through a VISA interchange. They do not refer to searching a database of cardholders at all. Also, the batch referred to in Kolling refers to transactions grouped together after they are sent for settlement purposes. The batching referred to in the claim is for transactions that are grouped together before they are transmitted based on the search. These are two completely different things.

2. The Rejection and Features of Claims 22-25

Claims 22, 24 and 25 are patentable over the cited art for the same reasons as claim 21.

Applicant would like to point out that claim 22 provides for transferring funds to the club, whereas claim 23 provides for transferring funds to a base or installation

corresponding to the club. Thus, claim 23 provides that the database includes information associating a base or installation with specific clubs, and provides the step of transferring funds to that base or installation. This beneficial feature would allow, for example, a military base to collect funds on behalf of a number of different clubs on the base. This can reduce the number and cost of transactions. This feature is not taught by the applied art.

3. New Claim 36

New claim 36 depends from claim 21. This claim, which is similar to claim 33 discussed above, provides that a partner (or base/installation) can access cardholder data for the cardholders associated with that partner. This claim is patentable over the applied art for the same reasons as set forth above for claim 33.

I. The rejection of claim 26 based on the 6-part combination of Fernandez-Holman in view of Kolling, Pollin, Perazza, Auriemma, and the Official Notice should be withdrawn.

1. The Rejection and Features of Claim 26

In paragraph 13, the Final Office Action rejects claim 26 based on the 6-part combination of Fernandez-Holman, Kolling, Pollin, Perazza, and Auriemma, and the Official Notice.

Claim 26 depends from claim 1. As demonstrated above, claim 1 distinguishes the combination of Fernandez-Holman, Kolling, Pollin, Perazza, and Auriemma.

Claim 26 adds the additional feature that the credit card includes encoded information that includes "account information" and "further includes additional information which identifies" one or more of the clubs "for use as an admission pass." The Examiner has taken Official Notice regarding the use of ATM cards to access an ATM

facility, or the use of security cards to access government facilities. Applicant respectfully traverses the Official Notice as not teaching or suggesting the claimed feature.

As amended, the claim recites a credit card that includes not only account information, but additional information for use of the credit card as an admission pass. The Official Notice regarding ATM cards does not apply because, to the best of Applicant's understanding, ATM cards do not include any additional information for the purposes of use as an admission pass. As Applicant understands it, an ATM card can be used to enter any ATM facility based only the account information on ATM cards; there is no additional information on the ATM card to allow entry into specific facilities. If the Examiner disagrees or believes otherwise, then Applicant requests that the Examiner supply objective evidence in support of his Official Notice as required by the MPEP.

Additionally, the claim provides that the information that "identifies" a club for use as an admission pass. Again, to the best of Applicant's understanding, ATM cards do not identify specific facilities for purposes of admission.

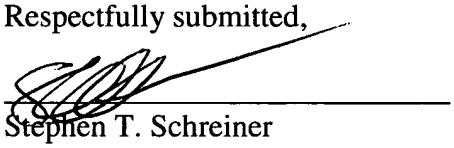
Regarding security cards in government facilities, such cards do not contain credit account information as well as other information identifying clubs for entry. Applicant does not believe that the person of ordinary skill considering a credit card would somehow be motivated to modify it with a government security card in order to add additional information on the credit card for admission pass purposes. In fact, the Examiner supplies no motivation for the modification.

IV. Conclusion

Applicant respectfully submits that the application is in condition for allowance and respectfully requests a notice of allowance for the pending claims. Should the Examiner determine that any further action is necessary to place this application in condition for allowance, the Examiner is kindly requested and encouraged to telephone Applicant's undersigned representative at the number listed below.

If any additional fees are deemed necessary, Applicant hereby provides authorization to charge such fees against deposit account 50-0206. If any refunds are due, Applicant hereby provides authorization to credit such refunds against the deposit account.

Respectfully submitted,



Stephen T. Schreiner
Reg. No. 43,097

Date: **May 24, 2004**
Hunton & Williams (Phone: 202-955-1500)
1900 K Street, N.W.
Washington, D.C. 20006-1109